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	One Market, Spear Street Tower San Francisco, CA 94105-1126	CENTERS, INC.; VIRGIL L. WILLIAMS; JOHN A. LYNCH; and ARTHUR T.
9	Tel: 415.442.1000 Fax: 415.442.1001	GRONNER
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11	Attorneys for Third-party Defendant	
12	PHILIPS MEDICAL SYSTEMS NORTH AMERICA COMPANY, A DIVISION OF	
13	PHILIPS ELECTRONICS NORTH AMERICA CORPORATION	
14	UNITED STATES DISTRICT COURT	
15	NORTHERN DISTRICT OF CALIFORNIA	
16	SAN FRANCISCO DIVISION	
17	PHILIPS MEDICAL CAPITAL, LLC, a	Case No. C 06-4470 JSW
18	Delaware limited liability company,	JOINT STIPULATION AND [PROPOSED]
19	Plaintiff,	ORDER OF DISMISSAL WITH PREJUDICE OF MEDICAL INSIGHTS
	v.	DIAGNOSTIC CENTERS, INC., ET AL.'S
20	MEDICAL INSIGHTS DIAGNOSTIC	COUNTERCLAIM AND THIRD-PARTY COMPLAINT
21	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS,	Location: Courtroom 2
22	an individual; JOHN A. LYNCH, an	Judge: Hon. Jeffrey S. White
23	individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur	Trial Date: April 14, 2008
	T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND	Original State Court Action Filed: April 14, 2006
24	BONNIE S. GRONNER TRUST	
25	DATED DECEMBER 9, 1993 and DOES 1-10, inclusive,	
26		
27	Defendants.	
28	(caption continued on next page)	
w	Joint Stipulation and [Proposed] Order of Dismissal with Prejudice of MIDC, et al.'s	
	Counterclaim and Third-Party Complaint	

MORGAN, LEWIS & BOCKIUS LLP ATTORNEYS AT LAW SAN FRANCISCO 1-SF/7584632.1

Case No. C 06-4470 JSW

1	MEDICAL INSIGHTS DIAGNOSTIC CENTERS, INC., a California
2	Corporation; VIRGIL L. WILLIAMS,
3	an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an
4	individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated
5	December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST
6	DATED DECEMBER 9, 1993 and DOES 1-10, inclusive,
7	PHILIPS MEDICAL CAPITAL, LLC, a Delaware limited liability company, and
8	ROES 1-10, inclusive,
9	Counterclaimants,
	v.
10	PHILIPS MEDICAL CAPITAL, LLC, a
11	Delaware limited liability company, and ROES 1-10, inclusive,
12	
13	Counter-defendant.
	A CEDICAL INCICIED DIA CNOCEIO
14	MEDICAL INSIGHTS DIAGNOSTIC CENTERS, INC., a California
14 15	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an
	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur
15	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND
15 16	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and
15 16 17	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and DOES 1-10, inclusive, PHILIPS MEDICAL CAPITAL, LLC, a
15 16 17 18	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and DOES 1-10, inclusive,
15 16 17 18 19	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and DOES 1-10, inclusive, PHILIPS MEDICAL CAPITAL, LLC, a Delaware limited liability company, and
15 16 17 18 19 20	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and DOES 1-10, inclusive, PHILIPS MEDICAL CAPITAL, LLC, a Delaware limited liability company, and ROES 1-10, inclusive,
15 16 17 18 19 20 21	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and DOES 1-10, inclusive, PHILIPS MEDICAL CAPITAL, LLC, a Delaware limited liability company, and ROES 1-10, inclusive, Third-party Plaintiff, v. PHILIPS MEDICAL SYSTEMS
15 16 17 18 19 20 21 22	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and DOES 1-10, inclusive, PHILIPS MEDICAL CAPITAL, LLC, a Delaware limited liability company, and ROES 1-10, inclusive, Third-party Plaintiff, v.
15 16 17 18 19 20 21 22 23	CENTERS, INC., a California Corporation; VIRGIL L. WILLIAMS, an individual; JOHN A. LYNCH, an individual; ARTHUR T. GRONNER, an individual and as Trustee of the Arthur T. and Bonnie S. Gronner Trust dated December 9, 1993; ARTHUR T. AND BONNIE S. GRONNER TRUST DATED DECEMBER 9, 1993 and DOES 1-10, inclusive, PHILIPS MEDICAL CAPITAL, LLC, a Delaware limited liability company, and ROES 1-10, inclusive, Third-party Plaintiff, v. PHILIPS MEDICAL SYSTEMS NORTH AMERICA, a Delaware

Defendant, counterclaimant and third-party plaintiff Medical Insights Diagnostic Centers,

Inc. ("MIDC"); Virgil Williams ("Williams"); John A. Lynch ("Lynch"); Arthur T. Gronner, an

28 Morgan, Lewis & Bockius LLP Attorneys at Law

SAN FRANCISCO

27

1	individual and as trustee of The Arthur T. and Bonnie S. Gronner Trust Dated December 9, 1993		
2	(collectively, "Gronner," and Gronner collectively with MIDC, Williams, and Lynch "the MIDC		
3	Parties"); plaintiff and counter-defendant Philips Medical Capital, LLC ("PMC"); and third-party		
4	defendant Philips Medical Systems North America Company, a division of Philips Electronics		
5	North America Corporation ("PMSNA"), submit this stipulation and proposed order dismissing		
6	with prejudice the MIDC Parties' amended counterclaim and amended third-party complaint. ¹		
7	I. BACKGROUND		
8	On or about April 14, 2006, PMC commenced an action against the MIDC Parties and		
9	The Arthur T. and Bonnie S. Gronner Trust Dated December 9, 1993 (the "Trust"), in the		
10	Superior Court of the State of California in and for the County of Contra Costa, titled <i>Philips</i>		
11	Medical Capital, LLC v. Medical Insights Diagnostic Centers, Inc., Virgil L. Williams, John A.		
12	Lynch, Arthur T. Gronner, and the Arthur T. and Bonnie S. Gronner Trust Dated December 9,		
13	1993, and Does 1-10; Case Number C06 00676 (the "State Court Complaint").		
14	On or about June 16, 2006, the MIDC Parties and the "Trust" asserted cross-claims		
15	against PMC and commenced a third-party action against Philips Medical Systems North		
16	America Company, a division of Philips Electronics North America Corporation, a Delaware		
17	Corporation ("PMSNA") (incorrectly denominated therein "Philips Medical Systems North		
18	America, a Delaware corporation") in the Superior Court of the State of California in and for the		
19	County of Contra Costa, titled Medical Insights Diagnostic Centers, Inc., Virgil L. Williams, John		
20	A. Lynch, Arthur T. Gronner, and the Arthur T. and Bonnie S. Gronner Trust Dated December 9,		
21	1993 v. Philips Medical Capital, LLC, Philips Medical Systems North America, Inc., and Roes 1-		
22	10, inclusive, Case Number C06 00676 (the cross-claims and the third-party action are		
23	collectively referred to herein as the "Cross-complaint," and the Cross-complaint collectively		
24	with the State Court Complaint, the "State Court Action")		
25	On or about July 21, 2006, PMSNA removed the State Court Action to this Court.		
26	Originally, The Arthur T. and Bonnie S. Gronner Trust Dated December 9, 1993 (the "Trust")		
27	was named as a cross-plaintiff, counterclaimant, and third-party plaintiff. By way of order of this Court filed January 26, 2007, granting in part, and denying in part, PMC's and PMSNA's		
28	respective motions to dismiss, all of the Trust's claims against PMC and PMSNA were dismissed on the ground that, as a matter of law, the Trust lacked legal capacity to sue or maintain an action.		

Morgan, Lewis & BOCKIUS LLP ATTORNEYS AT LAW SAN FRANCISCO

Case No. C 06-4470 JSW

1 On or about August 18, 2006, the MIDC Parties amended their Cross-complaint (the 2 "Amended Counterclaim"). 3 II. **DISMISSAL** 4 The parties have agreed to a mutually acceptable resolution of the Amended 5 Counterclaim. Thus, the MIDC Parties, PMC and PMSNA, by and through their respective 6 counsel, hereby stipulate pursuant to Federal Rule of Civil Procedure 41(a)(1),(c) to the dismissal 7 with prejudice of the Amended Counterclaim and all causes of action and claims against all 8 parties named therein. 9 PMC's original State Court Complaint brought against MIDC, Williams, Lynch, Gronner 10 and the Trust, which was removed to this Court on or about July 21, 2006, is still pending and is 11 not being dismissed at this time, but will be dismissed at a later time under the terms of the 12 settlement agreement between the parties. 13 Each party shall bear its own costs and attorneys' fees. 14 SO STIPULATED. 15 Dated: August 20, 2007 HANSON BRIDGETT MARCUS VLAHOS RUDY, LLP 16 17 By18 Christopher R. Miller Attorneys Defendants, Counterclaimants, 19 and Third-Party Plaintiffs MEDICAL INSIGHTS DIAGNOSTIC CENTERS, 20 INC., a California Corporation: VIRGIL L. WILLIAMS, an individual; JOHN A. 21 LYNCH, an individual: ARTHUR T. GRONNER, an individual and as Trustee 22 of the Arthur T. and Bonnie S. Gronner Trust Dated December 9, 1993 23 24 25 26 27

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BOCKIUS LLP
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1	Dated: August 20, 2007	MORGAN, LEWIS & BOCKIUS LLP
2		D /G/
3 4		By /S/ Diane L. Webb Attornavy for Third Porty Defendant
5		Attorneys for Third-Party Defendant PHILIPS MEDICAL SYSTEMS NORTH AMERICA, a division of Philips
6		Electronics North America Corporation, a Delaware Corporation
7		•
8	Dated: August 20, 2007	GLASS & GOLDBERG
9		
10		By /S/
11		Marshall F. Goldberg Attorneys for Plaintiff and Counter- defendant PHILIPS MEDICAL CAPITAL,
12		defendant PHILIPS MEDICAL CAPITAL, LLC
13		
14		
15	<u>ORDER</u>	
16		
17	AS STIPULATED BY THE PARTIES, IT IS SO ORDERED.	
18		Jethrus Starhets
19	Dated: August <u>22</u> , 2007	Jeffends. White U.S. District Court Judge in and for the
20		Northern District of California
21		
22		
23		
24		
25		
2627		
28 LP LAW	Joint Stipulation and [Proposed] Order of	